



Patrick W. Henning, Director
September 9, 2009
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Arnold Schwarzenegger
Governor

Ms. Cheryl Moore, Executive Director
Workforce Investment Board of Ventura County
855 Partridge Dr.
Ventura, CA 93003

Dear Ms. Moore:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Workforce Investment Board of Ventura County's (WIBVC) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. TG Akins from January 5, 2009, through January 9, 2009.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by WIBVC with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with WIBVC representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, WIBVC's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on July 13, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed findings 1 and 2 cited in the draft report, no further action is required at this time. However, these issues will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 90162 and 90163.

Because your response did not adequately address findings 3, 4, and 5 cited in the draft report, and we consider these findings unresolved. We request that WIBVC provide the Compliance Review Office with additional information and a corrective action plan to resolve the issues that led to the findings. Therefore, these findings remain open and have been assigned Corrective Action Tracking System (CATS) numbers 90164, 90165, and 90166.

BACKGROUND

The WIBVC was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, WIBVC was allocated: \$1,584,317 to serve 224 adult participants; \$1,672,238 to serve 314 youth participants; and \$2,097,570 to serve 179 dislocated worker participants.

For the quarter ending September 30, 2008, WIBVC reported the following expenditures for its WIA programs: \$274,995 for adult participants; \$0 for youth participants; and \$595,053 for dislocated worker participants. In addition, WIBVC reported the following enrollments: 89 adult participants; 109 youth participants; and 203 dislocated worker participants. We reviewed case files for 24 of the 401 participants enrolled in the WIA program as of January 5, 2009.

PROGRAM REVIEW RESULTS

While we concluded that, overall, WIBVC is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Workforce Investment Board (WIB) composition, 90 day gaps in service, grievance and complaint procedures, youth incentives, and tuition recovery. The findings that we identified in these areas, our recommendations, and WIBVC's proposed resolution of the findings are specified below.

FINDING 1

- Requirement:** WIA Section 117(b)(4) states, in part, that a majority of the members of the local board shall be representatives from local business.
- Observation:** We observed that the Ventura County's WIB does not have a business majority. Specifically, out of 36 members there are 16 business representatives, which is 44 percent.
- Recommendation:** We recommended that WIBVC provide the Compliance Review Office (CRO) with a Corrective Action Plan (CAP), including a timeline, for appointing the required members currently not represented on the Ventura County WIB. We also recommended that WIBVC provide CRO with a copy of the WIB roster after the vacant positions are filled.
- WIBVC Response:** The WIBVC stated that, currently, 15 out of 33 WIB members were business representatives. Also, WIBVC stated that there were two business nominees in the second stage of the three-stage vetting process by the Board of Supervisors and that these two were expected to be appointed on August 15, 2009. WIBVC verified, during a phone conversation, that these two have been appointed. Additionally, WIBVC stated that the Membership Committee was researching business nominees for the preliminary screening process. The goal is to have two more business representatives appointed to the WIB by December 30, 2009.
- State Conclusion:** The WIBVC's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify WIBVC's successful implementation of its stated corrective action and we receive an updated roster after all vacant positions are filled. Until then, this issue remains open and has been assigned CATS number 90162.

FINDING 2

- Requirement:** 20 CFR Section 667.300(b)(1) states, in part, that a state or other direct grant recipient may impose different forms or shorter formats, shorter due dates, and more frequent reporting requirements on subrecipients.

Training and Employment Guidance Letter (TEGL) 17-05 states, in part, that the term program exit means a participant has not received a service funded by the program or funded by a partner program for 90 consecutive calendar days, and is not scheduled for future services. The exit date is the last date of service.

Additionally, TEGL 17-05 states, in part, that once a participant has not received any WIA funded or partner services for 90 days (except follow-up services, and there is no planned gap in service or the planned gap in service is for reasons other than those related to health/medical condition and delay in training) that participants must be exited from WIA. The exit date is the last date of WIA funded or partner received services.

Observation: We found that three out of 24 case files reviewed included a gap in services of 90 days or greater. Specifically the gaps in service ranged from three months to six months. Additionally, while WIBVC attempted to contact these participants, no WIA or partner funded services were provided during these gaps of inactivity.

Recommendation: We recommended that WIBVC provide CRO with a CAP, including a timeline, to ensure that, in the future, no more than 90 days will lapse between services provided to WIA participants, or exit the participants as of the last date of receipt of services. Additionally, we recommended that WIBVC provide CRO with documentation to demonstrate that services were being provided to the three participants noted above or exit them from the WIA program.

WIBVC Response: The WIBVC stated that they reviewed all three cases mentioned above and provided exit documents showing that each had been exited from the program. In addition, WIBVC has implemented a weekly automated report, that is emailed to the providers, which identifies all youth cases where the estimated end date of the latest WIA activity is nearing or has surpassed 90 days. All youth providers have been instructed to update the estimated end dates or exit the participants from the program.

State Conclusion: The WIBVC's stated corrective action should be sufficient to resolve this issue and no further corrective action is required. However, we cannot close this issue until we verify, during a future onsite visit, WIBVC's successful implementation of its stated corrective action.

stated corrective action. Until then, this issue remains open and has been assigned CATS number 90163.

FINDING 3

Requirement:

20 CFR 667.600 states, in part, that the local area must provide information about its programmatic grievance and complaint procedures to participants and other interested parties.

29 CFR 37.29(a)(2) states, in part, that a recipient must provide initial and continuing notice that it does not discriminate on any prohibited ground. This notice must be provided to participants.

WIAD08-4 states, in part, that where a hard copy case file is maintained, a copy of an acknowledgement of receipt of the local grievance and complaint procedures shall be signed by the participant and included in each participant's case file.

Observation:

We observed that WIBVC updated their grievance and complaint procedures to be in compliance based on the program year 2007-08 finding. However, 16 out of 24 case files reviewed contained the old grievance and complaint procedure which does not provide:

- A withdrawal policy;
- All grievance or complaints, amendments, and withdraws must be in writing;
- A State appeals address.

The Boys and Girls Club had recently received the new grievance and complaint form and were using it for new enrollments. Pathpoint had not received the new grievance and complaint form.

Recommendation: We recommended that WIBVC provide a CAP to CRO, including a timeline, to ensure that an updated copy of its grievance and complaint procedures with all WIAD08-4 elements are provided to all active participants and a copy is included in each active participant's case file. In addition, we recommended that the CAP also address how WIBVC will ensure, in the future, that a copy of the grievance and complaint procedures is included in all future participant case files.

WIBVC Response: The WIBVC stated that they distributed an updated copy of their grievance and complaint procedures effective January 15, 2009 and requested that PathPoint begin using this form.

State Conclusion: Based on WIBVC's response, we cannot resolve this issue at this time. While WIBVC distributed the new form to their providers for future use, they have not provided a CAP indicating how they will provide the current participants with the new form. We recommend that WIBVC provide a CAP to CRO, including a timeline, to ensure that an updated copy of its grievance and complaint procedures with all WIAD08-4 elements is provided to all active participants and a signed acknowledgement of receipt is included in each active participant's case file. Until then, this issue remains open and has been assigned CATS number 90164.

FINDING 4

Requirement: WIA Section 129(a)(5) states, in part, youth funds may be used to provide incentives for recognition and achievement to eligible youth.

29 CFR Section 97.20(a)(2) states, in part, that fiscal control and accounting procedures of subgrantees must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions.

OMB Circular A-87, Attachment A, Section C states, in part, that to be allowable, costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards, and be adequately documented.

Exhibit A, Section II(B)(2) of WIBVC's contract boiler plate states, in part, that the contractor will ensure that they comply with the county incentive and stipend payments and documentation.

Ventura County's Youth Incentive and Stipend Policy (YI-01) states, in part, that service providers may reserve the right to approve internal payment plans provided they are consistent with this policy.

Observation:

We observed that WIBVC's youth providers, Boys and Girls Club and Pathpoint, are in violation of their contracts because their incentive policies are not consistent with WIBVC's incentive policy. Specifically, the Boys and Girls club paid a participant \$50 for retaining employment for 3 months. The WIBVC policy states \$25 is the maximum paid for maintaining employment. In addition, Pathpoint paid participants:

- \$75 for workshop completion specific to ISS goal (minimum four hour attendance). The WIBVC policy states the maximum for a WIA element participation/achievement is \$25-\$50.
- \$75 for younger youth and \$100 for older youth for entering employment. The WIBVC policy states the maximum is \$50.
- \$50 for employment or education retention. The WIBVC policy states \$25 as the maximum for both employment and education retention.
- \$100 for literacy and numeracy gains. The WIBVC policy states that \$25-50 is the maximum for literacy and numeracy gains.
- \$75 for placement in education. The WIBVC policy states \$25 is the maximum for entered vocational training, secondary, or post secondary schooling.
- \$200 for a high school diploma and \$200 for vocational training/license. The WIBVC policy states \$100 is the maximum incentive for attainment of any degree or vocational training/license.
- \$30 for a B grade in an English or Math class. The WIBVC policy states \$20 is the maximum allowed for attaining a B grade.

Lastly, Pathpoint's policies specify that they will pay:

- \$40 for completing 15 units and 30 for completing less than 15 units. The WIBVC's policy does not allow for payment for the completion of units.
- \$300 for an Associates of Arts Degree and \$500 for a Bachelors of Arts degree. The WIBVC policy states \$100 is the maximum incentive for attainment of any degree or vocational training/license.
- \$75 for goal or skill attainment. The WIBVC policy states \$25-50 is the maximum for a WIA element participation/achievement.
- \$75 for placement in education. The WIBVC policy states \$25 is

\$25 is the maximum for entered vocational training, secondary, or post secondary schooling.

- \$200 for placement in employment or education requiring professional attire. The WIBVC policy states the maximum for achieving an activity that relates to the need of interview clothes is \$100-\$125.
- \$200 for successful completion of an un-paid internship. The WIBVC states that \$25 is the maximum for completion of an unpaid internship.
- \$50 for achieving a driver's license. The WIBVC policy states that \$25 is the maximum for achieving an independence goal such as a driver's permit/license.

Recommendation: We recommended that the WIBVC review all incentive payments made by Boys and Girls Club and Pathpoint to identify the amount of incentive payments made in excess of WIBVC's policies and apply the excess to other WIA program activities. Once accomplished, we recommended that WIBVC provide CRO with the results. Additionally, we recommended that WIBVC provide CRO with a CAP which ensures that, in the future, their youth providers are complying with the WIBVC incentive policies.

WIBVC Response: The WIBVC stated that they have transmitted a written request for the program providers to review all incentives and stipends to identify the amounts paid and the amounts in excess of their policy and procedure. Also, WIBVC requested that the providers give a written explanation identifying where the excess amount would be applied. Further, WIBVC has collaborated with the providers to create an updated Incentive and Stipend policy. Under the new policy, each provider will establish their own maximum amounts to be paid and the Human Services Agency Contracts Unit will file each in separate folders. Any updates to the maximums must be approved by WIBVC.

In addition, WIBVC plans to review the written requests submitted by the providers and will advise them when the changes are approved. The WIBVC will also review the documentation submitted by the providers for accuracy. Lastly, WIBVC will review all incentive payments made by the providers to identify the amount of incentive payments made in excess of WIBVC's policies and apply the difference to other WIA program activities.

State Conclusion: Based on WIBVC's response, we cannot resolve this issue at this time. While we acknowledge the work that WIBVC has done to create a CAP and start identifying the amount of excess incentives paid by the providers, we have not received the documentation identifying the total amount of excess incentives or documentation showing the excess funds being applied to other WIA activities. We recommend that WIBVC identify the amount of excess incentives paid by the providers and provide CRO with documentation showing the excess funds being applied to other WIA activities. Until then, this issue remains open and has been assigned CATS number 90165.

FINDING 5

Requirement: 20 CFR 667.410(a)(1) states, in part, that each recipient and subrecipient must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors in order to determine that expenditures have been made against the cost categories and within the cost limitations specified in the Act and the regulations:

Directive WIAD04-4 states, in part, if services are no longer being rendered within the refund time line agreed upon in the training provider's contract, then a refund for the portion of services not received must be recovered.

Observation: We reviewed a case files in which Pathpoint prepaid \$630 for Emergency Medical Technician training, but the participant did not attend the training and no documentation was available indicating that the tuition was recovered. In addition, there was not a tuition recovery policy for the training provider that received the payment.

Pathpoint explained that they had been working with the provider to try and get a credit towards another participant's tuition, but were unsuccessful at the time of our review.

While we were on site, Pathpoint was able to secure an email from the training provider stating that they would refund the tuition. However, Pathpoint has not supplied verification that they received the refund.

Recommendation: We recommended that WIBVC provide documentation showing the recovery of the tuition for the participant. In addition, we recommended that WIBVC provide CRO with a CAP which ensures that, in the future, training funds are recovered where necessary.

WIBVC Response: The WIBVC stated that they have updated their policy to include direction on recovery of unused WIA training funds and reviewed the updated policy with the providers. In addition, WIBVC provided a copy of an email dated February 4, 2009 stating that PathPoint had recovered the tuition mentioned above.

State Conclusion: Based on WIBVC's response, we cannot resolve this issue at this time. The WIBVC has not provided us with documentation showing the recovery of the tuition for the participant. Specifically, they did not provide a copy of the check from the provider, documentation of the deposit into the WIA account, or any other proof of recovery. We, again, recommend that WIBVC provide CRO documentation showing the recovery of the tuition for the participant. Until then, this issue remains open and has been assigned CATS number 90166.

In addition to the findings above, we identified a concern that may become a compliance issue if not addressed. Specifically, we found that two males registered for Selective Service more than 30 days after their eighteenth birthday. We suggested that WIBVC take action to ensure that, in the future, all male participants register for Selective Service no more than thirty days after their eighteenth birthday.

In its response, WIBVC did not address our concern.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than October 7, 2009. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Ms. Cheryl Moore

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September 9, 2009

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is WIBVC's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain WIBVC's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 653-7541 or Mr. TG Akins at (916) 654-8428.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", written in a cursive style.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Linda Patton-Finch, MIC 50
Georganne Pintar, MIC 50